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FOR PUBLIC AFFAIRS STAFF

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SUBJECT Stanley Sporkin

CONNIE CHUNG: As we've reported, John Fedders, the Enforcement Director of the Securities and Exchange Commission resigned because of widespread publicity that he beat his wife during their 18 years of marriage.

A new enforcement director has not been named but there are some indications that whoever is selected, enforcement policy at the SEC will not change.

With more on that, our business reporter, Barron's Editor Alan Abelson.

Alan.

ALAN ABELSON: Well, they -- you know -- to find a new director who's bigger than Fedders they're going to have to go to Wilt Chamberlain.

CHUNG: He's quite tall.

ABELSON: Because -- you know -- he was six-ten.

The fact is he replaced Stanley Sporkin. And Sporkin was kind of a J. Edgar Hoover of the securities enforcement business and he was there forever, it seemed to me. He was much more powerful than the commissioners themselves. And he certainly was more powerful and he went through several administrations, so the presidents wouldn't touch him, either. And he was a real tough bird, let me tell you. He used to put terror in the hearts of corporations and Wall Street, both.

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Well, this administration came in, and they had a much different attitude. Instead of terrorizing corporations, they concentrated, presumably, on getting insider trade -- you know -- trading on inside information -- but, Connie, trying to stamp that out is like trying to stamp out sex. It's not very easy.

I think what they did do -- what Chad (?) the commissioner in charge, and what Fedders did do, to their credit, is that they raised the stakes; people had to think a bit more about taking advantage of us. It's still pretty rife but it's more costly if you're caught.

And I think whoever comes in -- and it looks like the acting director, acting enforcement director, will come from within the staff of the commission. Then he'll just go on and do the same kind of thing. They'll concentrate on insider trading and they'll leave corporations and the securities industry pretty much alone.

CHUNG: And that's what you'd expect from the Reagan administration, right?

ABELSON: Yes. It's been, after all -- the theme has been deregulation and this has been as much deregulation as you're apt to see at the Securities and Exchange Commission.

CHUNG: Thank you, Alan.

ABELSON: Uh-huh.